

AGENDA WITH ANALYSIS

**NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Monday, September 19, 2016**

**The STATE PUBLIC WORKS BOARD will meet on
Monday, September 19, 2016, at 10:30 a.m. in
Room 113,
State Capitol, Sacramento, California.**

Departments with requests for preliminary plan approval are reminded to contact their respective capital outlay analyst for an appointment to review plans. Plan review should be scheduled either on the screening meeting date or before that date.

Attachment

STATE PUBLIC WORKS BOARD

Monday
September 19, 2016
10:30 a.m.
Room 113
State Capitol
Sacramento, California

I.	Roll Call		
II.	Bond Items	Page	3
III.	Approval of minutes from the August 12, 2016 meeting		
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BOND ITEMS

BOND ITEM—1

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
ADULT LOCAL CRIMINAL JUSTICE FACILITIES PROJECT
KINGS COUNTY**

Authority: Sections 15820.92 – 15820.926 of the Government Code

Consider adoption of a resolution to:

- a) Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds
- b) Authorize the sale of lease revenue bonds
- c) Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds

Total Bond Appropriation

\$20,000,000

BOND ITEMS

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
Adult Local Criminal Justice Facilities Project
Kings County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.

Scope Description

This project is within scope. This project will design and construct an expansion of the existing county jail located in the city of Hanford on county-owned land. The expansion will include additional housing, program, treatment, and support space, as well as a day reporting center.

The project will expand the existing AB 900 Phase II jail and will include a new mental health unit with approximately 24 beds, multipurpose rooms, an interview room, recreation yards, and video visitation and support space. The project will also include a new kitchen; vocational classrooms; and program, warehouse, and maintenance space.

The new day reporting center will be a stand-alone building on the existing jail site and will include a lobby, interview rooms, and program and office space.

The project will also include, but is not limited to electrical; plumbing; mechanical; heating, ventilation, and air conditioning; security; fire protection systems; and all necessary appurtenances.

During the development of preliminary plans, the county identified potential alternatives for the project. Additive bid alternates for additional warehouse expansion, classroom expansion, and office expansion were identified.

Funding and Project Cost Verification

This project is within cost. Section 15820.922 of the Government Code (SB 1022) appropriates \$509,060,000 lease revenue bond financing authority to partially finance the design and construction of adult local criminal justice facilities. Award of this funding to individual counties is administered by the Board of State and Community Corrections (BSCC). The BSCC has conditionally awarded \$20,000,000 from this appropriation to Kings County for this project. All acquisition/study and any design and construction costs in addition to this amount will be paid by the county.

On November 14, 2014, the Board established the scope, cost, and schedule of this project allocating \$20,000,000 of the \$509,060,000 lease revenue bond financing authority appropriated in section 15820.922 of the Government Code to partially finance the design and construction of this project. At the time of establishment, the total estimated project cost was \$21,052,000. On June 15, 2015, the Board approved the preliminary plans with a total estimated project cost of \$21,279,000 including a potential deficit of \$227,000. Subsequent to these actions, a new project cost estimate was prepared in the association with working drawings and proceed to bid. Based on this revised estimate, the current total estimated project cost is \$21,052,000, which includes a potential savings of \$2,000.

\$21,052,000 Total authorized project cost

\$21,052,000 Total estimated project cost

\$20,000,000 State funds allocated: \$395,000 preliminary plans, \$812,000 working drawings, \$18,793,000 construction (\$15,638,000 contract, \$976,000 contingency, \$279,000 A&E, \$1,900,000 other project costs)

State costs adjustment: increase \$20,000 preliminary plans, decrease \$65,000 working drawings, and increase of \$43,000 construction (decrease \$263,000 contract, increase \$133,000 contingency, decrease \$45,000 A&E, increase \$218,000 other project costs), and a \$2,000 potential savings

\$1,052,000 Local funds allocated: \$195,000 acquisition, \$227,000 preliminary plans, \$221,000 working drawings, \$636,000 construction (\$27,000 contract, \$199,000 contingency and \$410,000 other project costs), and \$227,000 potential project deficit

Local costs adjustment: decrease \$30,000 preliminary plans, \$53,000 working drawings, and \$144,000 construction (decrease \$27,000 contract and \$155,000 contingency, increase \$67,000 A&E and decrease \$29,000 other project costs), and decrease of \$227,000 potential project deficit

CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 21, 2013, and the 35-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on June 10, 2015, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve Preliminary Plans	June 2015
Complete Working Drawings	July 2016
Start Construction	October 2016
Construction Complete	February 2018

Staff Recommendation: **Adopt the resolution.**

BOND ITEMS

BOND ITEM—2

JUDICIAL COUNCIL (0250)
CALIFORNIA CONSERVATION CORPS (3340)
DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
DEPARTMENT OF GENERAL SERVICES (7760)
DEPARTMENT OF VETERANS AFFAIRS (8950)
2016 SERIES C, LEASE REVENUE REFUNDING BONDS
VARIOUS PROJECTS

Refunded Bonds, 2009 Series I:

*Judicial Council – Fourth Appellate District Courthouse
California Conservation Corps – Tahoe Base Center Relocation
Department of Forestry and Fire Protection – Twain Harte Forest Fire Station
Replacement and Pacheco Forest Fire Station Replacement
Department of Corrections and Rehabilitation – California Correctional Center,
Susanville: Wastewater Treatment Plant Modification Project, Chuckawalla
Valley State Prison: Wastewater Treatment Plant Improvements, and Folsom
State Prison: Convert Officer and Guards Building to Office Space.
Department of General Services – Library and Courts Building Renovation
Department of Veterans Affairs – Redding Veterans Home Project and Fresno
Veterans Home*

Authority: Section 15840 of the Government Code

Consider adoption of a resolution to:

- a. Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, 2016 Series C, Various Capital Projects, in accordance with the Board's refunding policy.
- b. Approve the form of and authorize the execution of a Supplemental Indenture to the Master Indenture, between the Board and the State Treasurer.
- c. Approve the forms of and authorize the execution of a First Amendment to Facility Leases between the Board and the above named departments.
- d. Approve the form of and authorize the execution of an Escrow Agreement between the Board and the State Treasurer.
- e. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
- f. Approve the form of and authorize the delivery of a Preliminary Official Statement.
- g. Authorize the preparation and delivery of an Official Statement.
- h. Approve the form of and authorize the execution of a Purchase Contract.
- i. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Current outstanding par amount of the bonds to be refunded 2009I: \$350,315,000

BOND ITEMS

STAFF ANALYSIS ITEM—2

Judicial Council (0250)
California Conservation Corps (3340)
Department Of Forestry and Fire Protection (3540)
Department Of Corrections and Rehabilitation (5225)
Department Of General Services (7760)
Department Of Veterans Affairs (8950)
2016 Series C, Lease Revenue Refunding Bonds
Various Projects

Action Requested

If approved, the requested action would authorize the sale of the 2016 Series C lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, a first amendment to facility leases, an escrow agreement, a continuing disclosure agreement, a purchase contract, and approving the form of and authorizing the delivery of a preliminary official statement, and authorizing the preparation and delivery of an official statement.

Description of the Refunding

The 2016C Bonds will provide funds that will be used, together with other lawfully available moneys, (i) to establish an irrevocable escrow to refund and defease a portion of the outstanding 2009I Bonds and (ii) to pay the costs of issuance of the 2016C Bonds. The 2016 Series C bonds will refund the Board's 2009 Series I bonds and achieve an estimated net present value savings of \$78.9 million and an estimated 22.5% savings of the refunded bonds. The estimated par amount of the 2016 Series C bonds is \$350.3 million. The bonds shall be issued only if the sale achieves debt service savings of at least 3.0 percent of the par amount of the bonds to be refunded, consistent with the Board's existing refunding policy.

Refunded Projects:

JC: Fourth Appellate District Courthouse Project

The Fourth Appellate District Courthouse Project (Courthouse Project) provided a new courthouse for the California Court of Appeal, Fourth Appellate District, Division Three, and replaced two leased facilities in Santa Ana. The Courthouse Project is three story and approximately 52,000 square feet.

CCC: Tahoe Base Center Relocation Project

The Tahoe Base Center Relocation Project (Tahoe Project) provided an 88-crewmember CCC residential facility on two separate parcels in the Tahoe Basin. The Tahoe Project included the acquisition of two-parcels (Sterling Village / Yanks Station), the renovation of an existing Residence Building, the construction of a Multipurpose/Kitchen Building and an Administration Building, and related site improvements.

CalFire: Twain Harte Forest Fire Station Replacement Project

The Twain Harte Forest Fire Station Replacement Project provided a new two-engine fire station, including a twelve-bed barracks/mess hall, a 3-bay apparatus building with support space. The Twain Harte Forest Fire Station provides initial fire response for the region bounded by the middle fork of the Stanislaus River on the north, the middle fork of the Tuolumne River on the south, the western boundary of the Stanislaus National Forest on the east, and the community of Mono Village on the west.

CalFire: Pacheco Forest Fire Station Replacement Project

The Pacheco Forest Fire Station Relocation Project provided a new one engine station, including an 8-bed barracks/mess hall, a 2-bay apparatus building with one office, and corresponding support space. The Pacheco Forest Fire Station is located along Highway 152 on the west side of the Pacheco Pass and provides fire response to Santa Clara, San Benito, Monterey, Madera and Mariposa counties.

CDCR: California Correctional Center, Susanville: Wastewater Treatment Plant Modifications Project

The California Correctional Center Wastewater Treatment Plant Modification Project (Susanville Project) provided an upgrade and expansion of the existing treatment facilities and processes at the California Correctional Center Wastewater Treatment Plant in order to bring the discharged effluent from the California Correctional Center and the adjacent High Desert State Prison into compliance with the Lahontan Regional Water Quality Control Board waste discharge requirements and to expand the capacity of the Susanville WWTP to process and dispose of effluent at the rate of 1.8 million gallons per day. The Susanville Project also expanded the sprayfield irrigation system by more than 250 acres.

CDCR: Chuckawalla Valley State Prison, Blythe: Wastewater Treatment Plant Improvement Project

The Chuckawalla Valley State Prison (CVSP) Wastewater Treatment Plant Improvements Project provided a modified and upgraded existing Wastewater Treatment Plant that collects and treats high strength domestic wastewater from CVSP and Ironwood State Prison.

CDCR: Folsom State Prison, Represa: Convert Officer and Guards Building to Office Space Project

The Folsom State Prison Convert Officer and Guards Building to Office Space Project provided for the renovation of an existing approximately 30,800 square foot, three-story historic building, which was originally built in 1878 and seismically retrofitted in 2001, into office space to meet current facility operational requirements, fire and life safety codes, Americans with Disabilities Act (ADA), and California Title 24 Energy requirements.

DGS: Library and Courts Building Renovation Project

The Library and Courts Building Renovation Project provided for the renovation of both the interior and exterior of the Library and Courts Building, which was constructed in the 1920's and was

designated a California landmark in 1977. The interior renovation included the establishment of more efficient use of space for storage, electrical, and telecom spaces, restoration of the historic elevators, enhancement of security, fire and life safety upgrades, correction of mechanical, electrical, and plumbing systems deficiencies, abatement of hazardous materials, and architectural renovations, including repair of historic ceilings, light fixtures, works of art and décor. The exterior restoration included correction of roof and shell deficiencies. The building's approximately 188,600 square feet of office and ancillary space houses the California State Library and the California Court of Appeal, Third Appellate District.

CalVet: Redding Veterans Home Project

The Redding Veterans Home Project (Redding Home) provided for the construction of a 138-bed, 167,000 square foot veterans home in the city of Redding. The Redding Home offers "Residential Care for the Elderly" level of care, skilled nursing, and skilled nursing memory care, and provides its residents with a special combination of housing, personalized support services, and incidental medical care. The Redding Home provides resident with 24-hour residential care, memory care, and emergency response services.

CalVet: Fresno Veterans Home Project

The Fresno Veterans Home Project (Fresno Home) provided for the construction of a 300-bed, 292,000 square foot veterans home in the city of Fresno. The Fresno Home offers "Assisted Living" level of care, skilled nursing, and skilled nursing memory care, and provides its residents with a special combination of housing, personalized support services, and incidental medical care. The Fresno Home provides resident with 24-hour residential care, memory care, emergency response services, and scheduled transportation services.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—3

**DEPARTMENT OF GENERAL SERVICES (7760)
DEPARTMENT OF DEVELOPMENTAL SERVICES (4300)
2016 SERIES D, LEASE REVENUE REFUNDING BONDS
VARIOUS PROJECTS**

*Refunded Bonds: Department of General Services 2009 Series A - Office Building 8 and 9
Renovation
Department of Developmental Services 2009 Series C – Porterville
Developmental Center Housing Expansion and Recreation Complex*

Authority: Section 15840 of the Government Code

Consider adoption of a resolution to:

- a. Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, 2016 Series D, Various Capital Projects, in accordance with the Board's refunding policy.
- b. Approve the form of and authorize the execution of a Supplemental Indenture to the Master Indenture, between the Board and the State Treasurer.
- c. Approve the forms of and authorize the execution of Site Leases between the Board and the above named departments.
- d. Approve the forms of and authorize the execution of Facility Leases between the Board and the above named departments.
- e. Approve the forms of and authorize the execution of the Escrow Agreements between the Board and the State Treasurer.
- f. Approve the forms of and authorize the execution of Termination Agreements between the Board and the above named departments.
- g. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
- h. Approve the form of and authorize the delivery of a Preliminary Official Statement.
- i. Authorize the preparation and delivery of an Official Statement.
- j. Approve the form of and authorize the execution of a Purchase Contract.
- k. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Current outstanding par amount of the bonds to be refunded

**2009A: \$156,270,000
2009C: \$75,075,000**

BOND ITEMS

STAFF ANALYSIS ITEM—3

Department Of General Services (7760)
Department of Developmental Services (4300)
2016 Series D, Lease Revenue Refunding Bonds
Various Projects

Action Requested

If approved, the requested action would authorize the sale of the 2016 Series D lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, site leases, facility leases, escrow agreements, termination agreements, a continuing disclosure agreement, a purchase contract, and approving the form of and authorizing the delivery of a preliminary official statement and authorizing the preparation and delivery of an official statement.

Description of the Refunding

The 2016 Series D bonds will refund the Board's 2009 Series A bonds and 2009 Series C bonds and achieve an estimated net present value savings of \$46.5 million and an estimated 20% savings of the refunded bonds. The estimated par amount of the 2016 Series D bonds is \$231.3 million. The bonds shall be issued only if the sale achieves debt service savings of at least 3.0 percent of the par amount of the bonds to be refunded, consistent with the Board's existing refunding policy.

Refunded Projects:

Office Building (OB) 8 and 9 Renovation Project

The Office Buildings 8 and 9 (OB 8 and 9) project provided for a renovation of OB 8 and 9, and the construction of a new lobby connector building along with a fountain and plaza that fronts "P" Street in Sacramento. Both buildings are eighteen stories and included a full basement and elevator penthouse. The sole tenant of the buildings is the Department of Social Services.

Porterville Developmental Center Housing Expansion and Recreation Complex Project

The Porterville Housing Expansion and Recreation Complex (Complex) project provided for the construction of six single story residences, each with 16 individual bedrooms and adjoining bathrooms, living rooms, dining rooms, serving kitchens, nurses stations, and other support space. The recreation area of the Complex includes a recreation building, a protective services building, and a pool. The Complex serves residents at Porterville Developmental Center, which is the only state facility that houses individuals who have a primary developmental disability and require a secure environment because of behaviors that make them a danger to themselves or others.

Staff Recommendation: Adopt the resolution.

CONSENT ITEMS

CONSENT ITEM—1

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540) SOUTH OPERATIONS AREA HEADQUARTERS: RELOCATE FACILITY RIVERSIDE COUNTY

Authority: Chapter 106, Statutes of 2001, Item 3540-301-0001 (23)
Chapter 106, Statutes of 2001, Item 3540-304-0042 (20)
Chapter 379, Statutes of 2002, Item 3540-301-0660 (13)
Chapter 208, Statutes of 2004, Item 3540-301-0660 (3.8)
Chapter 47, Statutes of 2006, Item 3540-301-0660 (3), as reappropriated
by the Budget Act of 2009, 2012, and 2016
Chapter 171, Statutes of 2007, Item 3540-301-0660 (7.7), as reappropriated
by the Budget Act of 2009, 2012, and 2016
Chapter 268, Statutes of 2008, Item 3540-301-0660 (8), as reappropriated
by the Budget Act of 2009, 2011, 2013, and 2016
Chapter 25, Statutes of 2014, Item 3540-301-0660 (13), as reappropriated by the
Budget Act of 2016

Consider recognizing a scope change

CONSENT ITEMS

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
South Operations Area Headquarters: Relocate Facility
Riverside County

Action Requested

If approved, the requested action would recognize a scope change.

Scope Description

This project is not within scope. The current scope includes the construction of an approximately 62,000 square foot operations headquarters facility consisting of an administration building, an office/command center, a construction and engineering office, an electrical shop, a mechanical shop, an auto shop, a warehouse, a training center, a groundskeeper/hazardous materials building, a fueling facility, a generator building, and a communication tower.

The Department of Forestry and Fire Protection (CalFire) is requesting to add photovoltaic panels (PV panels) to this headquarters facility to reduce greenhouse gas emissions, improve overall energy efficiency, and help reduce the facility's dependence on the power grid by offsetting energy consumption by 13 percent. The addition of PV panels will also enable the project to achieve

Leadership in Energy and Environmental Design Silver certification. CalFire estimates the total cost of the PV panels to be approximately \$275,000. Cal Fire plans to cover the cost of this scope change with anticipated bid savings.

On August 22, 2016, The Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve the scope change of this project and to recommend the board recognize it no sooner than 20 days from that date.

Funding and Project Cost Verification

This project is within cost. A total of \$50.2 million (\$803,000 General Fund, \$1.1 million State Highway Account, and \$48.3 million lease revenue bonds) has been appropriated for this project. The design phases of this project have been completed and CalFire anticipates awarding the construction contract in September 2016. Based on the winning bid for this project, the current total estimated project cost is \$44.6 million, for a bid savings of \$6.4 million.

\$ 50,197,270 Total authorized project costs

\$ 43,822,000 Total estimated project costs

\$ 5,843,059 Project costs previously allocated: \$1,320,359 acquisition, \$803,000 preliminary plans, and \$3,719,700 working drawings

\$ 37,978,900 Project Costs to be allocated: \$37,978,900 construction (\$27,689,924 contract, \$1,384,496 contingency, \$2,777,500 A&E, \$3,036,980 other project costs, and \$3,090,000 agency retained).

CEQA

A Notice of Determination was filed with the State Clearinghouse on November 30, 2002, and the 30-day statute of limitations expired without challenge on December 30, 2002.

Real Estate Due Diligence

A Real Estate Due Diligence Letter for this project was completed February 12, 2016, and no issues that would adversely affect the beneficial use and quiet enjoyment of the property were identified.

Project Schedule

Approve preliminary plans	November 2002
Approve working drawings	February 2016
Start construction	August 2016
Complete construction	September 2018

Staff Recommendation: Recognize a scope change.

CONSENT ITEMS

CONSENT ITEM—2

CALIFORNIA STATE UNIVERSITY (6610)
CALIFORNIA STATE UNIVERSITY, MONTEREY BAY
ACADEMIC II BUILDING REPLACEMENT
MONTEREY COUNTY

*Authority: Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660 (3), as reappropriated
by the Budget Acts of 2009 and 2012
Chapter 25, Statutes of 2014, Item 6610-301-6041 (3)*

Consider approving an augmentation

\$1,500,000

(3.7 percent, 13.5 percent cumulative)

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

California State University
California State University, Monterey Bay
Academic II Building Replacement
Monterey County

Action requested

If approved, the requested action will approve an augmentation.

Scope Description

This project is within scope. This project will construct a new 35,000 assignable square foot/58,000 gross square foot facility for instructional program support space for the School of Information Technology and Communications Design and the School of Business. The new facility will provide for 1,243 full time equivalent (FTE) students (1,081 FTE in lecture space and 162 FTE in laboratory space), and 61 faculty offices.

Funding and Cost Verification

This project is not within cost. An augmentation of \$1,500,000 from the construction reserve of the Fall 2013, Series H lease revenue bonds (3.7 percent) is requested for completion of mitigation measures for transportation demand management improvements (TDM) in order to comply with a Memorandum of Understanding (MOU) between California State University Monterey Bay and the Fort Ord Reuse Authority. These measures are consistent with the 2007 California Supreme Court Decision in City of Marina v. Board of Trustees of the California State University.

Increased costs are primarily due to design changes and receipt of bids for work needed to complete the construction of a roundabout to correct a hazardous campus intersection in a heavily used pedestrian and traffic corridor. This is the final phase of TDM mitigation measures for accessible sidewalks and parking, bike lanes, bus transit accommodations, street realignments

and lighting improvements in the campus core. Previous Executive Orders C 12/13-1 and C 13/14-10 provide CSU augmentations of \$2,951,000 (7.3 percent) and \$1,033,000 (2.5 percent) respectively.

On August 30, 2016, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve an augmentation of this project and to recommend the Public Works Board recognize it no sooner than 20 days from that date.

\$42,450,000	Total authorized project costs
\$47,934,000	Total estimated project cost
\$46,434,000	Project cost previously allocated: \$1,350,000 preliminary plans, \$1,231,000 working drawings; \$42,002,000 construction (\$37,909,000 contract, \$1,037,000 contingency, and \$3,056,000 other project costs), and \$1,851,000 equipment
\$1,500,000	Requested augmentation

CEQA

A Notice of Determination was filed with the State Clearinghouse on May 15, 2009, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Title Evaluation Report on the property was completed on July 16, 2012, and two exception items were noted: (1) a license to T-Mobile that needed to be extinguished by recording an appropriate termination memorandum, and (2) a quit claim deed with the United States Army would need to be recorded. CSU has completed both of those tasks, and no other issues that would adversely affect the beneficial use and quiet enjoyment of this project were identified.

Project Schedule

Approve preliminary plans	July 2012
Complete working drawings	August 2013
Start construction	January 2014
Complete construction	November 2017

Staff Recommendation: **Approve augmentation.**

OTHER BUSINESS

NONE

REPORTABLES

NONE